

# Fiscal Note

*Fiscal Services Division*



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**HF 384** – Physical Plant and Equipment Levy Uses (LSB2247HV)

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Fiscal Note Version – New

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## **Description**

**House File 384** expands the authorized use of Physical Plant and Equipment Levy (PPEL) revenues to include expenses incurred in the repair of transportation equipment.

## **Background**

**Regular PPEL:** In FY 2015, 328 school districts (97.0% of the 338 districts) levied for the regular PPEL (approved by the school board) totaling \$49.4 million. Of those 328 districts, 322 levied up to the regular PPEL capacity. The remaining 16 districts have a remaining PPEL capacity totaling \$1.4 million.

**Voter-Approved PPEL (VPPEL):** In FY 2015, 244 school districts (72.2%) levied for the VPPEL totaling \$119.4 million (includes \$108.5 million in property tax and \$10.9 million in income surtax). Of those 244 districts, 99 levied up to the VPPEL capacity. The remaining 239 districts have a remaining VPPEL capacity totaling \$87.0 million.

## **Assumptions**

- School boards not currently levying their capacity for the regular PPEL (maximum rate of \$0.33/\$1,000 of assessed valuation) may approve an increase in the regular PPEL rate.
- There may be an impact related to the voter-approved PPEL levy rate as well. However, the amount will depend on voter approval within each school district.
- If voters within a school district have approved a revenue purpose statement that grants Secure an Advanced Vision for Education (SAVE) funds to be used for PPEL purposes, those SAVE funds may be used for the purposes specified in **HF 384**.

## **Fiscal Impact**

The estimated fiscal impact is unknown. Based on data for FY 2015, the maximum fiscal impact will be an increase in the regular PPEL of \$1.4 million. Additionally, there may be an increase in the voter-approved PPEL in future fiscal years, but any increases will depend on the voter approval within each district.

## **Sources**

Iowa Department of Management, School Aid file  
LSA analysis and calculations

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/s/ Holly M. Lyons

February 25, 2015

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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